



POTENTIAL IMPACT FEE UPDATE

City exploring first increase in 18 years in order for “new growth to help pay for growth”

Impact Fees:

- Are one-time fees paid by developers of new construction projects only.
- Have been in place in Renton since 1994, but the rates have never been adjusted despite the dramatic change that has occurred within the City.
- Are based on the anticipated impacts new construction projects have on the City.
- Contribute to costs of new infrastructure (fire stations and associated equipment, parks, and roads).
- Are only expended for physical improvements (fire stations and trucks, park land and improvements, and streets and sidewalks), not administrative, operating, or maintenance costs.
- Are an important financial tool that helps the City keep its infrastructure in pace with new development, while not compounding deficiencies and reducing the City’s overall levels of service.
- Without which, the City:
 - Would not be able to provide adequate infrastructure to support the demands of new development; or
 - Be forced to raise revenue by raising more generalized taxes.

How are the new Fee Levels Being Established?

- An extensive Rate Analysis was conducted by a consultant with significant expertise across many jurisdictions using well-established methodology. (The Study is available on the City website, rentonwa.gov.)
- The Analysis establishes the true cost growth puts on the City’s planned infrastructure improvements.
- State Law allows the City to charge up to the full amount determined by the Analysis, but not more.

A Measured Proposal:

The Administration of the City recognizes that this is a challenging time for development. The nation is slowly emerging from significant recession. And, we hold firm to our commitment to economic development and seek to remain competitive with peer jurisdictions. However, we cannot allow our infrastructure to significantly erode. New growth must help pay a portion of the costs it creates. In attempt to balance this, the Administration is recommending the City Council adopt fees well below the rates justified in the Analysis.

Fee	Rate: Single Family	Rate: Multi-Family	Portion of Rate Study
Fire	\$479.28	\$479.28	2/3 of Rate Study Amount
Parks	\$1,827.58	\$1,239.92	2/3 of Rate Study Amount
Transportation	\$2,856.89	\$1,862.37	1/3 of Rate Study Amount

- Additionally, the Administration is recommending impact fees be increased gradually over a three-year period , with no increase until 2014, providing the development community predictability as to what fees will be charged and when.
- The Administration is also recommending fees be collected closer to the time of sale or occupancy to assist developers by reducing “carrying costs” during construction.

For additional information, please contact: Chip Vincent, Administrator/Planning Director, at 425.430.6588 or cvincent@rentonwa.gov.